

MONGOLIAN BANKING FORUM: NEW YORK 2024



MONGOLBANK
CENTRAL BANK OF MONGOLIA



**MINISTRY OF
FINANCE MONGOLIA**



**FINANCIAL
REGULATORY
COMMISSION**



CMM
Capital Markets Mongolia



MBA
MONGOLIAN BANKERS ASSOCIATION

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MONGOLBANK
CENTRAL BANK OF MONGOLIA

The Central Bank of Mongolia

Mongolian economy is growing strongly despite global shocks. The economy grew 7 percent in 2023 and we expect growth to reach 6 percent in 2024. Inflation has fallen to our target range and foreign exchange reserves have reached historic levels. Exports continue to perform strongly and with expected jump in copper exports from Oyu Tolgoi project, medium-term outlook remains favorable.

Financial sector is resilient. Following the amendment of the Banking Law in 2021, all five systemically important banks have successfully completed IPOs domestically and raised over 400 billion tugriks. Now we need to look beyond the domestic market to attract foreign investors to the banking sector. We have simplified the regulatory requirements for foreign banks to enter Mongolian market. Foreign banks can establish branches, subsidiaries or simply invest in existing domestic banks. Additionally, we established streamlined procedures for specialized investment bank.

Recognizing the need for climate action, the Bank of Mongolia is leading sustainable finance initiatives, with implementation of Green Taxonomy, Sustainable Finance Roadmap and Mongolia SDG Finance Taxonomy. I invite you to invest in Mongolia and be part of our growth story.

Lkhagvasuren Byadran

Governor of the Bank of Mongolia



Financial Regulatory Commission

In recent years, the Financial Regulatory Commission (FRC) has prioritized accelerating capital market development through comprehensive reforms aligned with international standards.

This approach has restored the confidence of both foreign and domestic investors, leading to a remarkable threefold increase in market capitalization, reaching a historic high of 11.6 trillion MNT in 2023. Moving forward, our steadfast commitment remains focused on cultivating a diverse and inclusive financial market, ensuring its sustainability through a robust medium-term development policy.

Bayarsaikhan Dembereldash

Chairman, Financial Regulatory Commission of Mongolia

Agenda

08:30 - 09:00

Registration

09:00 - 09:10

Opening remarks

09:10 - 09:25

Keynote Presentation: “Mongolian Economic Outlook”

Mr. Sonor Luvsandorj, Director General of the Financial Policy Department, Ministry of Finance Mongolia

09:25 - 10:10

Panel Discussion: “Regulatory Perspectives: Mongolia's Financial Sector”

Moderator:

- Dan Keeler, Founder & Editorial Lead at Frontier Markets News

Panelists:

- Mr. Lkhagvasuren Byadran, Governor of the Bank of Mongolia
- Mr. Bayarsaikhan Dembereldash, Chairman of the Financial Regulatory Commission of Mongolia
- Mr. Sonor Luvsandorj, Director General of the Financial Policy Department, Ministry of Finance Mongolia

10:10 - 10:40

Networking Break

10:40 - 11:00

Keynote Presentation: “Mongolian Banking Sector”

Mr. Amar Lkhagvasuren, Chief Executive & Secretary-General, Mongolian Bankers Association

11:00 - 12:00

Panel Discussion “Investing in Mongolian Banks”

Moderator:

- Mr. Isaac Schwartz, Portfolio Manager at Robotti & Company Advisors

Panelists:

- Mr. Randolph Koppa, Chairman of Trade and Development Bank
- Mr. Norihiko Kato, CEO of Golomt Bank
- Mr. Soronzonbold Lkhagvasuren, CEO of Mbank
- Mr. Saruul Ganbaatar, CEO of Bogd Bank

Register
Here



Why Mongolia?

THE ECONOMY IS PROMISING.

With an impressive 7.0% GDP growth in 2023, Mongolia's economic surge is attributed to the unprecedented expansion of coal exports, reaching a record high of 66.7 million metric tons. Notably, the country achieved a substantial \$5.9 billion trade surplus from exports of \$15.2...



THE CAPITAL MARKET IS THRIVING.

Mongolia's stock market earned the prestigious title of the "World's Best Stock Market of 2021", boasting an extraordinary 130% growth per Bloomberg. Over the subsequent two years, the stock market nearly doubled its valuation, propelled by the IPOs of five systematically important banks.



MONGOLIA IS WELCOMING.

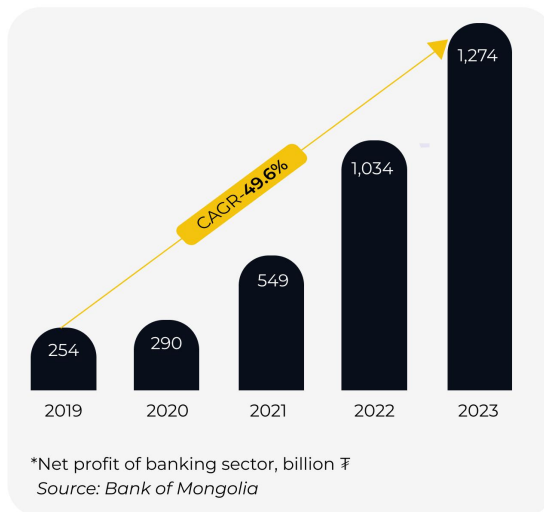
The Government of Mongolia has declared 2023-2025 as the "Year of Visiting Mongolia" to bolster international awareness, stimulate tourism, drive economic growth, and attract foreign investments.



Mongolia's Banking Sector In 5 Charts

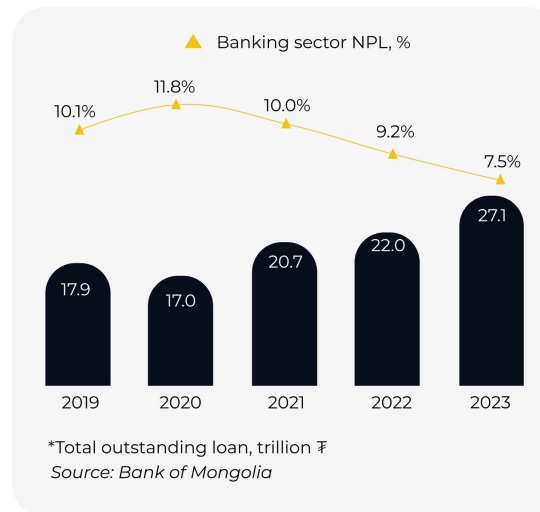
1. Robust profitability growth in Mongolian banking sector

In recent years, propelled by favorable legal reforms, supportive policies, and a swift digital transformation, Mongolia's banking sector has witnessed a robust growth in profitability. The net profit of the banking sector has increased at a compound annual growth rate of 49.6% over the past five years, reaching an all time high of a total of 1.27 trillion MNT in 2023.



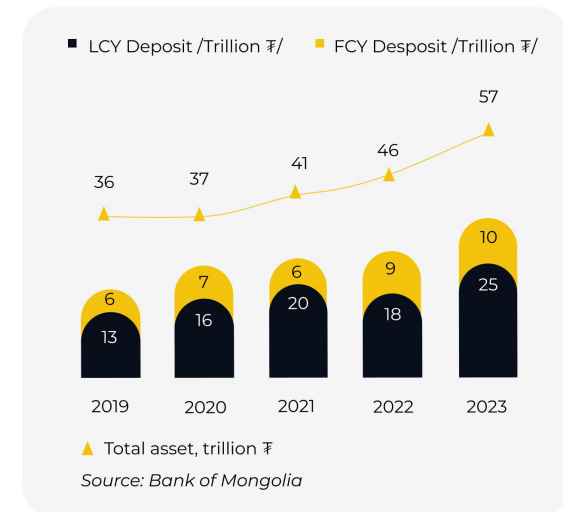
2. Banks lend more, loan quality improving

In line with technological advancements and innovation in the fintech industry, banks have adapted and streamlined lending services through user-friendly applications, facilitating steady growth in the loan portfolio. Furthermore, Mongolia's economy has rebounded from its post Covid-19 economic shock, spurring activity across various sectors. As a result of the Bank of Mongolia's AQR /Asset Quality Review/ conducted in 2022, the percentage of non-performing loans has declined, contributing to an overall improvement in the loan portfolio.



3. Consistent growth backed by a stronger foundation

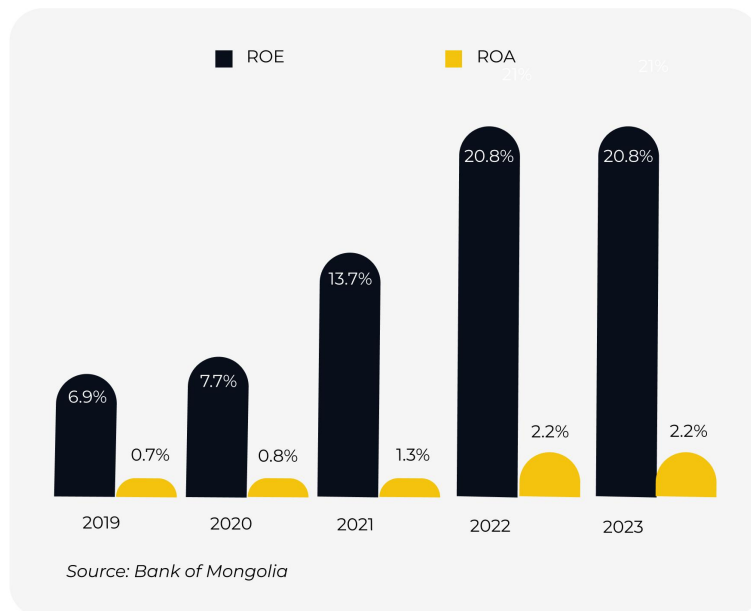
As part of the ongoing banking reform, systemically important banks are strategically investing in their operations, including technological advancements, through IPOs funds they raised. These proactive measures have yielded positive results, with the total assets in the banking sector growing at an average annual rate of 12.2% from 2019 to 2023, reaching 57 trillion MNT by 2023.



Mongolia's Banking Sector In 5 Charts

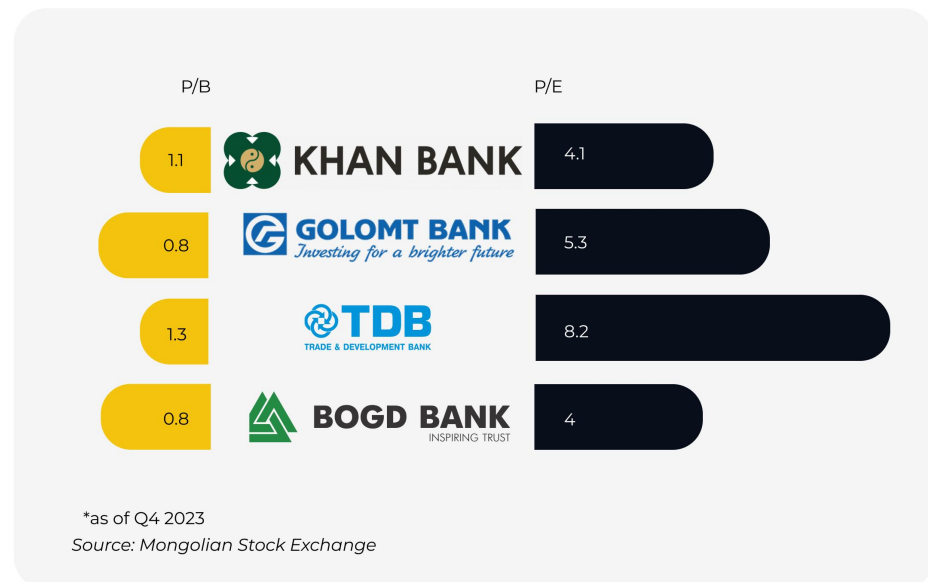
4. Maximizing efficiency through steady asset size growth

The efficiency of banks has grown alongside increases in assets, loans, and profitability. Mongolian banks have notably enhanced their average return on equity (ROE), maintaining a level consistently above 20%, which stands out as a relatively high ratio within the banking sector. To provide context, regional banks in emerging markets typically achieve an average ROE of 10.1%, as reported by Damodaran at NYU.



5. Undervalued banks, P/B & P/E

The four participating banks that recently made their debut on the Mongolian Stock Exchange have collectively garnered considerable attention, raising a significant sum of 401.2 billion MNT, with a market capitalization of 4.5 trillion MNT (\$1.3B). Surprisingly, they might be undervalued, particularly when considering valuation metrics such as P/B and P/E ratios. You'll have the opportunity to engage directly with the executives of these banks. You can arrange meetings by requesting appointments via our website.



PARTICIPATING BANKS





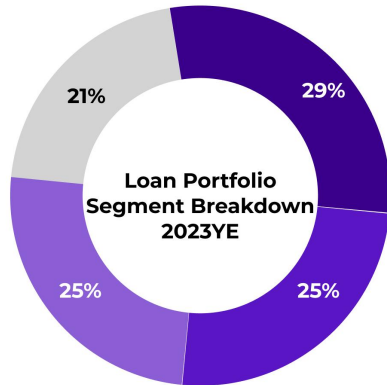
GOLOMT BANK

Established in 1995, Golomt Bank is a leading bank in Mongolia, offering diverse banking services with a commitment to innovation, integrity and customer-centricity. With 20% market share, it stands as an institution, thriving through strategic partnership, robust technology infrastructure, and dedication to excellence. Renowned for pioneering technology-driven solutions, Golomt Bank has earned accolades like "Best Bank in Mongolia" in 2023 by EUROMONEY and "Bank of the Year" in 2022 by The Banker. It was listed on the Mongolian Stock Exchange in 2022.

Norihiko Kato
CEO, Golomt Bank



■ Corporate ■ SME ■ Retail ■ Mortgage



The bank has a diversified loan portfolio composition that mirrors that of Mongolia's private sector overall bank debt. It is well-positioned to spearhead the sustainable economic development of the country.

- 72.7%** of the bank's total 1.1 million customers use digital products
- 98.0%** % of transactions are made through digital channels
- 68.0%** Market share of E-commerce transactions

Best Digital Bank in Mongolia (the 5th consecutive year in 2023)
 Best Bank in Mongolia - 2013
 Bank of the Year- 2022

Golomt Bank is continuing digital transform of our products, services, and operations including use of robotics and AI.

Founding member of UNEP FI
Green loan
₮183 billion
2nd in the market
23.0% market share
36.7% 2021-2023 CAGR

responsAbility
WATEREQUITY™
symbiotics

The bank has received a total of \$70.0 mil debt capital from the impact investors and funds in 2023.

We're committed to sustainable development, aligning with the Paris Agreement and Sustainable Development Goals to achieve net-zero emissions by 2050 through strategic partnerships.

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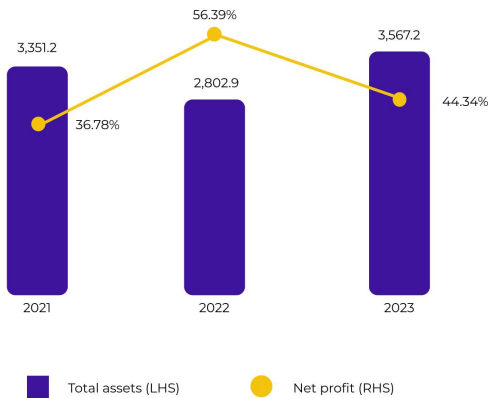


TRADE AND DEVELOPMENT BANK

Trade and Development Bank JSC, the longest-serving bank in Mongolia, is the primary lender to majority of the country's leading corporations and conglomerates. TDB positions itself as the international bank in Mongolia by maintaining market leading positions in international payment, trade finance, market funding and corporate lending. TDB was the first issuer of bonds in global DCM from Mongolia, raising over US\$1billion, and to date remains the only bank. In 2012, Goldman Sachs acquired a five percent stake in TDB.

Randolph Koppa
Chairman, Trade and Development Bank

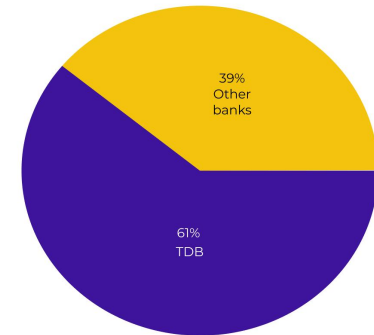
Total Assets And Profitability
(USD mln)



Capital Adequacy Ratio



Market Share Of TDB's Corporate Lending, 2023



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www.tdb.com



KHAN BANK

Khan Bank is the largest bank in Mongolia with highest market capitalization and shareholders. It has extensive client outreach and wide network of branches nationwide, reaching to 2.7 million customers. The Bank has representing one third of the country's banking sector and been expanding its digital banking services merging traditional services with modern technology within the scope of its digital transformation journey. The Bank ranks at 2nd place in TOP 100 Enterprises in Mongolia, which represents a significant impact on Mongolia's national socio-economic environment.

Ariunjargal Chuluunbaatar

Head, Custody Services department, Member of Investor Relations Working Group, Khan Bank

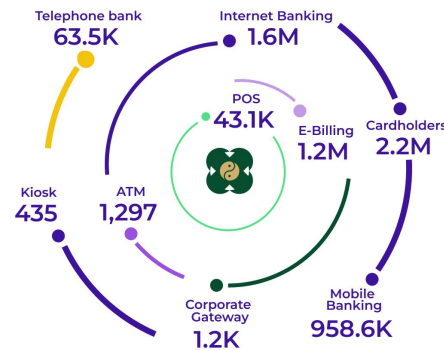
Leading Bank In Mongolia

as of 2023.12.31 /in US Dollars/

Metric	Value	Market Share %	Market position
Total Market Cap	675 million	20%	1
Total Assets	5.1 billion	30%	1
Total Loans	2.8 billion	35%	1
Core Deposits	3.5 billion	32%	1
Net Profit After Tax	164 million	43%	1

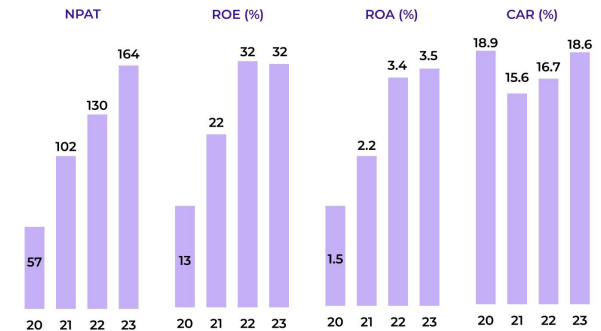
The Bank leads Mongolia's banking sector with steady growth in assets, loans, deposits, and profits. It completed the largest IPO locally and has the highest market capitalization.

Leading Bank In Mongolia



The bank serves 2.7 million customers, which is 80% of Mongolian households, through various touchpoints and digital services. In 2023, 99% of the 1.195 billion transactions were processed digitally, with only 1% processed at branches.

Net Profit After Taxes



The Bank has consistently maintained strong earnings, with the highest ROEs and ROAs at 3.5% and 31.7%, respectively, as of YE2023.

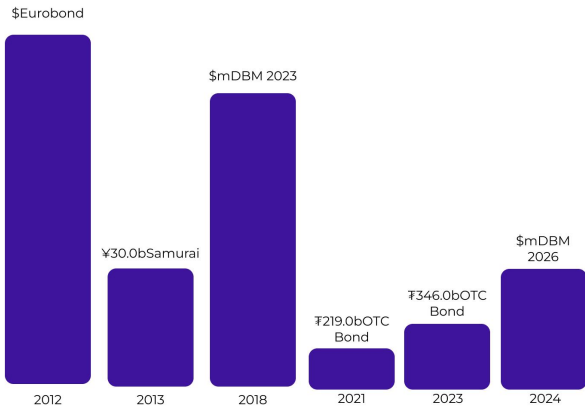
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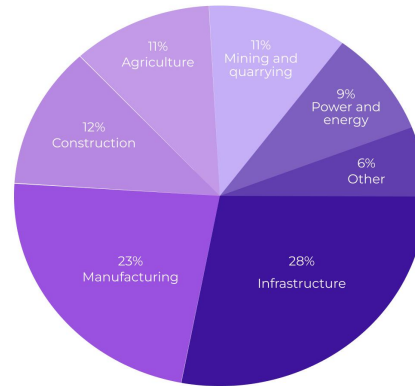
THE DEVELOPMENT BANK OF MONGOLIA

The Government of Mongolia ruled to establish the Development Bank of Mongolia on July 20, 2010. The Parliament of Mongolia approved the Development Bank of Mongolia Law on February 10, 2011, determining the Development Bank of Mongolia a for-profit, legal and government entity, specifically directed towards operating to provide financing of large-scale projects and programs for Mongolia's development.

Bataa Jalsrai
CEO, The Development Bank of Mongolia



The Development Bank of Mongolia demonstrates a robust presence in the capital market, leveraging diverse funding sources to facilitate long-term financing for significant projects, bolstering exports, and fostering economic expansion. Timely bond repayments underscore the institution's commitment to meeting obligations to global investors.



The Development Bank of Mongolia plays a crucial role in financing strategic projects aligned with the Government's policy, having provided loans worth MNT7.5 trillion since its establishment.

Credit Ratings

STANDARD & POOR'S **B Stable**

FitchRatings **B Stable**

MOODY'S **B3 Stable**

The Development Bank of Mongolia collaborates with 3 credit rating agencies, upholding a rating on par with the Sovereign's rating.

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M BANK

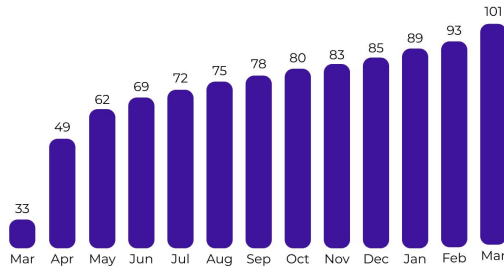
As the CEO of M Bank, Mongolia's pioneer in digital banking since 2022, I proudly highlight our commitment to revolutionizing the financial landscape. By merging advanced technology with user-centric services, we provide unparalleled banking experiences, free from traditional branch constraints. Our sustained double-digit growth underscores our success in delivering innovative solutions to both individuals and small businesses. At M Bank, we're not just embracing the future of banking—we're creating it. Join us at the forefront of this exciting journey.

Soronzonbold Lkhagvasuren

CEO, Mbank

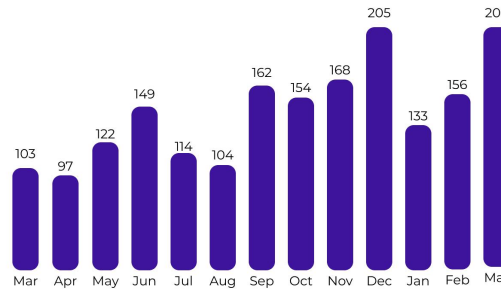


Customer Number, '000



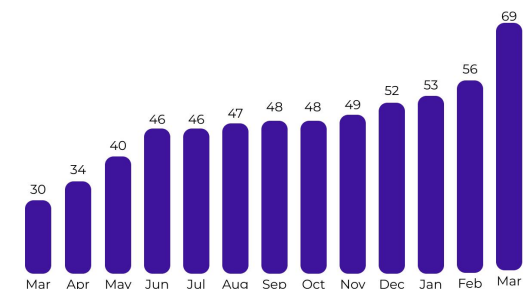
Our customer base saw a remarkable 200% increase over the last 12 months, with a notable peak in growth observed in March 2024.

Total Asset, (USD mln)



After fluctuations throughout the year with notable peaks and troughs by the end of year, total assets reached a substantial peak.

Gross Loan (USD mln)



Continuous growth throughout 2023. This consistent increase reflects the expansion of our lending operations, culminating in a notable peak of 69 USD million by the end of 2024 Q1.

 ibd@m-bank.mn

 www.mbank.mn



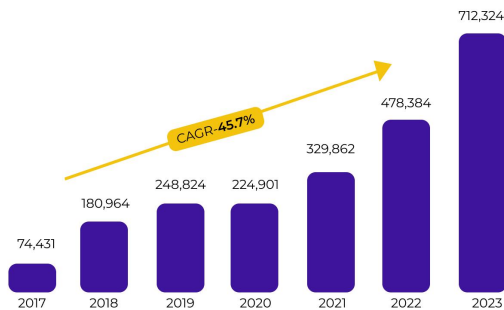
BOGD BANK

Founded in 2014, Bogd Bank JSC quickly emerged as one of Mongolia's most dynamic and rapidly expanding banks. Marking a significant milestone, it became the inaugural bank to be listed on the Mongolian Stock Exchange in December 2021. Committed to steady growth, Bogd Bank has successfully broadened its diverse customer base, spanning retail, SMEs, and corporate segments. Through the deployment of cutting-edge digital banking technologies, the bank offers a wide array of products, with a particular emphasis on supporting SME clients, and a strong focus on empowering women-led businesses and promoting sustainability through green loan initiatives.

Saruul Ganbaatar

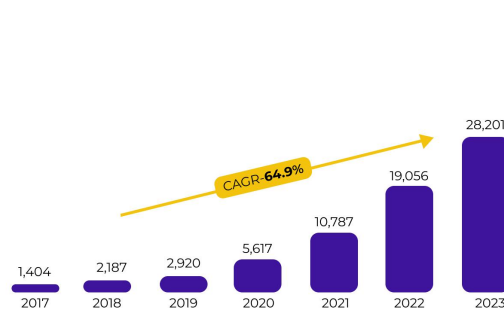
CEO, Bogd Bank

TOTAL ASSETS (2017-2023, In MNT Million)



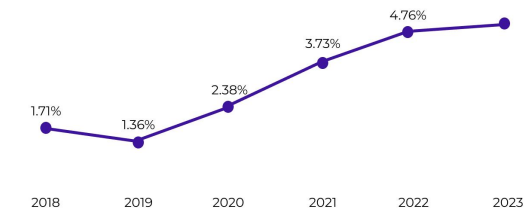
The Bank leads Mongolia's banking sector with steady growth in assets, loans, deposits, and profits. It completed the largest IPO locally and has the highest market capitalization.

NET PROFIT (2017-2023, In MNT Million)



Net profit increased by 48.0% YoY by the end of 2023 reaching 28.2 billion. Net profit increased at a CAGR of 64.87% in the last 7 years.

RETURN ON ASSETS (2018-2023)



As of YE2023, our ROA has reached 4.91% based on the average growth rate of the last six years, the highest since the inception of our bank.

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PARTICIPATING FINANCIAL INSTITUTIONS





Baatarsuren Sukhbaatar
 CEO, Deposit Insurance Corporation of Mongolia
 baatarsuren@dicom.mn



The Bank deposit insurance law was adopted by the Mongolian parliament on January 10, 2013, and laid down the legal basis for the establishment of the Deposit Insurance Corporation of Mongolia (DICO) with the mandate to protect depositors' interests and ensure financial stability.



Amar Lkhagvasuren
 Chief Executive & Secretary-General,
 Mongolian Bankers Association
 erdenegerel@mscc.mn



The Mongolian Bankers Association (MBA) is an independent, non-profit, and non-government organization under which the banking and non-banking financial institutions officially licensed to operate within the territory of Mongolia are unified.



Erdenegerel Ochir
 CEO, Mongolian Securities Clearing Center
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The Clearing Center is an Infrastructure Authorized for "Clearing Service" issued by FRC, which provides services to monitor and certify each transaction received from the client Securities company. We prioritize market security and integrity, and our industry-oriented approach and services to our members are based on international standards.



Khash-Erdene Tamiraa
 Chief business development officer, MSE
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The Mongolian Stock Exchange has been progressively expanding its business operation for more than 30 years since the formation of the Mongolian Capital Market in 1991, proactively adapting to the evolving landscape of capital market law and the legal environment while simultaneously introducing internationally accepted market infrastructure, all in pursuit of its ongoing development.



Davaasambu Sanduijav

CEO, Sod Asset Management

davaasambu@sodasset.mn



Sod Asset Management LLC was established in 2021 with a key strategy to establish an investment fund and manage a diverse range of assets in accordance with Mongolia's Securities Market Law, Investment Fund Law, and other applicable regulations. As of February 28, 2024, the company is managing two private investment funds totaling 3.0 million USD.



Gan-Erdene Sanjkhuyag

CEO, Golomt Capital

ganerdene@golomtcapital.com



Golomt Capital (GC) is the leading investment banking and brokerage firm affiliate to Golomt Financial Group incorporating Golomt Bank recognized as systematically important banks in Mongolia.



Radnaadavga Chuluunbaatar

COO, Ulzii & Co Capital

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Ulzii & Co Capital Securities Company LLC is a one of leading securities companies in Mongolia and was incorporated in 2007 to provide a wide range of investment banking services including brokerage, dealing, underwriting and investment consultancy.



Enkhmend Ankhbold

CEO, Altan Khoromsog

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Altan Khoromsog Broker-Dealer Company was founded in 1991 and is one of the oldest securities companies in Mongolia, licensed by Mongolian Financial Regulatory Commission. The company has more than 40,000 accounts positioning itself as one of the largest BDC to date. With our application launch, customers can easily access to domestic market and monitor their own portfolio seamlessly from anywhere around the globe.



Batjargal Gelegjamts
 CEO, Money Market Fund
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Money Market Fund LLC is currently an e-platform bridging lenders and borrowers with standardized short-term investment products but has a motivation to expand our operations in its respective field, namely open-ended Mutual fund, in the coming future.



Bayarmagnai Sainnyambuu
 CEO, Infosec Intelligence
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Infosec Intelligence is a national company that provides comprehensive cybersecurity solutions and management to protect business from data breaches. We have about 20 companies that conducts non banking financial service and offers Fintech product.



Erdenemunkh Gombodorj
 CEO, QPAY
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QPay is the largest digital payment gateway in Mongolia. Our payment is used by 3.2 million people across the nation, and serve over 220,000 online and offline merchants. We also work with international payment gateways to make cross-border payment accessible.



Enkhtsatsral Dambiinyam

CEO, Sain Score
enkhtsatsral@sainscore.mn



Sain Score is a credit information bureau company licensed by the Bank of Mongolia. It collaborates with over 450 credit institutions, including commercial banks, non-banking financial institutions, savings and loan cooperatives, and other entities, providing credit information inquiries and credit scores.



Lkhagvadorj Sugar

CEO and Co Founder, Dari Finance
lhagvasr@gmail.com



Dari Finance NBFI LLC Financial Institution was founded in 2017 and has since been operating in the micro-financing market, introducing advanced technology and providing innovative and swift service to our customers. As of today, we have 2 branches in Ulaanbaatar, Mongolia.



Ochmandakh Sukhbaatar

Founder & CEO, Oonline Technology LLC
ocho@online.mn



Oonline specializes in developing fintech and mobile banking apps. The company provides digital product design and development services for local and international financial institutions.

About CMM

VISION

Our vision at CMM is to be recognized as the foremost consultancy firm in Mongolia, setting the standard for excellence in research, communications, and investor relations advisory services. We aspire to be the trusted partner for local and foreign investors, empowering them with insights that navigate the complexities of the Mongolian market. We envision a future where transparency and responsibility are the cornerstones of the capital market, driving prosperity and attracting investments that fuel sustainable development.

MISSION

At CMM, our mission is to be the driving force behind the transformation of the Mongolian market, seamlessly blending research, communications, and investor relations advisory services. We are committed to pioneering innovative solutions that propel our clients towards sustainable growth. Through our expertise and dedication, we aim to foster a transparent and responsible capital market, ultimately contributing to the economic development of Mongolia.

OUR SERVICE

CMM offers a suite of services encompassing thorough market intelligence, financial communication, and investor relations. Our expertise extends to companies across diverse sectors and developmental stages, from foreign and domestic to private and growing enterprises to large corporations.

Research

Financial Communication

IR Advisory

 info@capitalmarkets.mn

 www.capitalmarkets.mn



Your trusted partner for Mongolian capital markets.